

## Message Text

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ACTION AGR

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TAGS: EAGR, ETRD, EGEN, AS

SUBJ: EFFECTS ENERGY SITUATION ON AGRI TRADE

REF: FASTO CIRCULAR 296

TOFAS 315

PASS AGRICULTURE FOR HUME

1. EFFECTS OF ENERGY SITUATION ON AUSTRALIAN AGRICULTURAL TRADE HAVE NOT BEEN SERIOUS TO DATE, BUT GOVERNMENT AND SHIPPING INDUSTRY OFFICIALS FEEL SHORTAGE OF BUNKER FUEL WILL BEGIN TO BITE NEXT MONTH. AT THE PRODUCTION STAGE EFFECTS HAVE BEEN MINIMAL AND ARE UNLIKELY TO BECOME SERIOUS AS AUSTRALIA IS SELF-SUFFICIENT FOR MOST REFINED FUEL PRODUCTS USED DOMESTICALLY. POTENTIAL PROBLEMS ARE EXPECTED TO INVOLVE MAINLY EXPORT SHIPPING, AS NOT ONLY HAS AUSTRALIA NOT BEEN A BUNKER BASE IN THE PAST, AND CONSEQUENTLY HOLDS LOW STOCKS OF BUNKER FUEL, BUT DECREASED AVAILABILKTY OF SHIPPING GENERALLY MAY CAUSE PROBLEMS. SHIPPING INDUSTRY AUTHORITIES ANTICIPATE REDUCTION OF ONE-THIRD IN TONNAGE AVAILABLE ON AUSTRALIA/JAPAN RUN, WHICH COULD SERIOUSLY AFFECT EXPORTS TO THAT MARKET.

2. PROBLEMS ENCOUNTERED SO FAR HAVE MAINLY BEEN IN  
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CONNECTION WITH CHARTER WHEAT SHIPMENTS. AUSTRALIAN

WHEAT BOARD HAS HAD PROBLEM WITH SHIPMENT TO ZAMBIA, WHERE OWNER ASKED FOR SUBSTANTIAL BUNKER ESCALATION CLAUSE ON EXISTING CONTRACT BECAUSE OF INABILITY TO SECURE BUNKERS AT CAPETOWN. ZAMBIA WHEAT SHIPMENTS FROM AUSTRALIA ALL ROUTED THROUGH LOBITO, ANGOLA, TO AVOID SHIPMENTS THROUGH BERIA. TO DATE QUESTION HAS NOT BEEN RESOLVED, BUT SOME QUESTION WHETHER PROGRAMMED JANUARY SHIPMENT CAN BE MADE. OTHER PROBLEM WAS WITH 20,000 TON WHEAT SHIPMENT UNDER AWB VOYAGE CHARTER TO IRAQ FOR SHIPMENT THIS MONTH FROM SYDNEY ON VESSEL GALATIA (CYPRUS FLAG). VESSEL NOW FREE IN JAPAN AND UNABLE TO OBTAIN BUNKERS THERE. OWNER CONTACTED AWB FOR ASSISTANCE IN SECURING BUNKERS IN AUSTRALIA, AS BUNKER SUPPLIERS REFUSED SERVICE. AWB UNABLE TO ASSIST AND AT THIS STAGE INSISTS UNDER TERMS CHARTER CONTRACT OWNER RESPONSIBLE FOR BUNKERS AND OBLIGATED DELIVER VESSEL READY IN ALL RESPECTS TO CARRY CARGO. BOARD BELIEVES IN VIEW DESTINATION OF CARGO SOLUTION WILL BE FOUND.

3. AWB INDICATED TO AGATTACHE OFFICE SHIPMENTS TO JAPAN AND SINGAPORE/MALAYSIA MAIN CONCERN AT PRESENT. VESSELS IN THIS TRADE USUALLY COME OUT FREE IN BALLAST AND CARRY MAXIMUM BUNKERS WITH ONLY TOPPING UP IN AUSTRALIA. UNDER PRESENT SITUATION REDUCED SUPPLIES AVAILABLE IN JAPA AND SINGAPORE CAUSED INCREASED DEMAND IN AUSTRALIAN PORTS, WHICH NOW CANNOT BE MET. CHINA SHIPMENTS NOT AFFECTED AS PRC MAKES OWN CHARTER ARRANGEMENTS AND HAS FUEL FROM OWN SOURCES. SIMILARLY EGYPT AND MIDDLE EAST NOT AFFECTED AS MOST CONTRACTS WITH BUNKERS GUARANTEED. AWB ALSO MADE WHEAT SALE TO ALGERIA RECENTLY ON SAME BUNKERS GUARATEED BASIS.

4. MEAT EXPORTS HAVE NOT BEEN AFFECTED TO DATE, ALTHOUGH REDUCTION IN REEFER SPACE TO JAPAN IS ANTICIPATED IN NEAR FUTURE. ONE OF THE SMALLER NORTHBOUND CONFERENCE LINES HAS ALREADY INFORMED TRADE OF IMMEDIATE REUDCTION IN SERVICE BY 10 PERCENT, BUT APART FROM EFFORTS TO MAXIMIZE REEFER SPACE UTILIZATION NO PROBLEMS YET. SIMILARLY NO EFFECT ON MEAT SHIPMENTS TO US TO DATE.  
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5. UNLESS SITUATION EASES BY MARCH, FRESH FRUIT EXPORTS COULD BE CURTAILED DUE TO LACK OF CHARTER VESSELS. COMMITMENTS BY CONFERENCE LINES TO CARRY 2 MILLION BUSHEL TO UK AND CONTINENT WILL PROBABLY BE MET, BUT ADDITIONAL VOLUME OF ABOUT 2.5 MILLION BUSHEL NOT COVERED BY CONFERENCE GROUP COULD BE SHARPLY REDUCED.

6. PRESENT INDICATIONS ARE SHIPPING PROGRAMS FOR GRAINS,  
MEAT, OILSEEDS AND WOOL COULD BE DISLOCATED EARLY IN THE  
NEW YEAR.  
GREEN

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